

**Internal Revenue Service**

Department of the Treasury

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Washington, DC 20224

Person to Contact:

Refer Reply To:

**CC:PSI:1-GENIN-139885-02**

Date:

**August 8 2002**

Dear [REDACTED]:

We are responding to your letter dated June 8, 2002 requesting relief to establish March 21, 2001 as the effective date for your S corporation election. The information forwarded to our office is insufficient for us to process a private letter ruling request. Although we are unable to respond to your request as submitted, this letter provides information relating to your request.

Announcement 97-4 provides guidance on seeking relief for late S corporation elections. Generally, to request relief for a late S corporation election you must request a private letter ruling from the National Office. The procedures for requesting a private letter ruling are set out in Revenue Procedure 2002-1 (copy enclosed). In addition, Rev. Proc. 2002-1 requires taxpayers to submit a user fee along with their ruling request. The standard user fee for a private letter ruling is \$6,000. However, taxpayers with gross income of less than \$1 million on their tax return for the most recent 12-month taxable year qualify for a **reduced user fee** in the amount of \$500. If you qualify for the reduced fee, you must include a statement certifying your gross income for the last 12-month taxable year. Otherwise, the higher fee will apply.

If you decide to submit a formal request for a private letter ruling, please review Appendix B of Rev. Proc. 2002-1, and be certain to include all required procedural statements. Also include the proper user fee and any documents that substantiate your intent to be an S corporation from inception. Please refer your request to our office by adding the following to the address:

Attn: CC:PA:T  
P.O. Box 7604  
Ben Franklin Station  
Washington, DC 20044

Direct to: CC:PSI:1  
Room 5002

The IRS has developed two new CD-ROMs to help educate small business

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owners on their tax responsibilities: (1) *Introduction to Federal Taxes for Small Business/Self-Employed*; and (2) *A Virtual Small Business Workshop*. These two CD-ROMs are free and can be ordered by calling 1-800-829-3676. The IRS also provides a special website, [www.irs.gov/smallbiz](http://www.irs.gov/smallbiz) which is dedicated to providing information to small business taxpayers.

Please keep this letter with your tax records and feel free to provide a copy of it to your authorized representative. We hope that the above information proves helpful.

Sincerely,

**/s/ Dianna K. Miosi**

Dianna K. Miosi

Chief, Branch 1

Office of the Associate Chief Counsel  
(Passthroughs and Special Industries)

Enclosures:

Rev. Proc. 2002-1